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7 Proposed General Reorganization Counsel for
Clarke Project Solutions, Inc.

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

11 | In Re

12 CLARKE PROJECT SOLUTIONS, INC.,
13 a California corporation,

14 Debtor and Debtor-in-Possession.

Case No. 8:17-bk-10402 TA

Chapter 11 Proceeding

**DEBTORS' EMERGENCY MOTION
FOR ORDER AUTHORIZING
PAYMENT AND HONORING OF
PREPETITION PAYROLL
OBLIGATIONS; MEMORANDUM OF
POINTS AND AUTHORITIES; AND
DECLARATION OF CHRISTOPHER
CLARKE IN SUPPORT THEREOF**

DATE: February , 2017

TIME:

CTRM: Courtroom 5B

411 W. Fourth Street
Santa Ana, California 92701

1 **TO THE HONORABLE THEODOR ALBERT UNITED STATES BANKRUPTCY JUDGE;**
2 **THE OFFICE OF THE UNITED STATES TRUSTEE; DISPUTED SECURED CREDITOR**
3 **CUMMING CONSTRUCTION MANAGEMENT, INC. AND ITS ATTORNEY; AND THE**
4 **TWENTY LARGEST UNSECURED CREDITORS:**

5 CLARKE PROJECT SOLUTIONS, INC., a California corporation, fka Cumming Clarke,
6 the Debtor and Debtor-in-Possession in the within Chapter 11 case (the “Debtor”), hereby moves
7 this Court on an emergency basis for an order granting the following relief:

8 A. Authorizing payment of prepetition employee wage and salary obligations owed by
9 the Debtor up to the priority limit in Section 507(a) of the United States Bankruptcy
10 Code;

11 B. Authorizing the Debtor to pay: 1) the reimbursement of ordinary course prepetition
12 employment business expenses in accordance with company policy, and 2) the
13 payment of benefit obligations including worker’s compensation, medical, dental, life
14 insurance, disability insurance, and miscellaneous other benefits incurred and payable
15 in the ordinary course;

16 C. Authorizing the Debtor to honor all prepetition vacation pay, sick leave, holiday pay,
17 jury duty pay, and other paid leave claims in the ordinary course;

18 D. Authorizing the Debtor to retain its prepetition payroll account(s) for 30 days and
19 directing the bank or other financial institution not or otherwise impair the Debtor’s
20 ability to deposit funds into and to withdraw funds from said account(s);

21 E. Authorizing the Debtor to take all actions reasonable and necessary to comply with its
22 obligations to its existing payroll services;

23 F. The entry of an order (i) directing all banks to honor the Debtor’s prepetition checks
24 for payment of any of the foregoing, and (ii) prohibiting all banks from placing any
25 holds on, or attempting to reverse, any automatic transfers on account of the
26 foregoing; and

27 G. Such additional relief as the Court deems just and proper.

1 This Motion is based upon the appended Declaration of Christopher Clarke, the points and
2 authorities in support thereof annexed hereto, and upon such other additional evidence, oral or
3 documentary, that the Court may consider prior to or at the time of the hearing on the Motion.

4 DATED: February 3, 2017

PAMELA JAN ZYLSTRA
A PROFESSIONAL CORPORATION

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7 By: Pamela J. Zylstra
8 Pamela J. Zylstra
Proposed Attorneys for Clarke Project Solutions, Inc.
9 Debtor and Debtor-in-Possession

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MEMORANDUM OF POINTS AND AUTHORITIES

I.

GROUNDS FOR EMERGENCY RELIEF

4 The Debtor filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code
5 on February 2, 2017 (the “Petition Date”). The case was filed to stop aggressive collection actions
6 by the disputed creditor, Cumming Construction Management, Inc., (“Cumming”) which operates
7 business under the guise of and in the name of the Debtor. The Debtor asserts that Cumming holds
8 no valid claim(s) against the Debtor and that Cumming holds no valid interest in the cash collateral
9 or other collateral in this case. The Debtor filed concurrently herewith a motion requesting authority
10 to use cash collateral on an interim basis to facilitate the Debtor’s ability to pay its payroll
11 obligations and post-petition accounts payable in an orderly fashion as they are incurred in the
12 ordinary course of the Debtor’s business post-petition.

13 The Debtor is requesting authority to fund the prepetition payroll for services rendered by
14 employees of the Debtor from January 20, 2017 through February 3, 2017. Employees of the Debtor
15 are paid every two weeks and the estimated amount of each payroll, including taxes, is \$130,000.00.
16 The payroll is scheduled for payment primarily by direct deposit for approximately 42 employees on
17 February 10, 2017.

18 The Debtor is in the business of providing labor under government contracts. If the Debtor's
19 employees are not paid, they will cease working and seek employment elsewhere. Any such
20 disruption would have a devastating effect upon the Debtor's business and its reputation in the
21 government contracting market. In contrast, if the Debtor obtains the relief sought herein, the
22 business operation will continue in the ordinary course, customer needs will be met, and the overall
23 value of the Debtor's business enterprise will be preserved for creditors.

24 It is essential that the Debtor pay its employees timely for all services rendered. The Debtor
25 seeks to operate its business in an orderly fashion post-petition, paying its employees in the ordinary
26 course of business as well as its post-petition accounts payable. The Debtor's ability to continue in
27 business depends on its retention of all employees. The single most important factor in the retention
28 of employees is timely payment of compensation. The Debtor requests a hearing on the Motion on

1 an emergency basis so that all employees will be paid timely on February 10, 2017, just eight days
2 after the commencement of this case.

3 Procedural authorization for an emergency hearing on this emergency motion is found in
4 Rule 9006¹ of the Federal Rules of Bankruptcy Procedure, and in Local Bankruptcy Rule 9075-1.²
5 As discussed herein and as set forth in the supporting Clarke Declaration, the Debtor respectfully
6 submits that, on the facts of this case, emergency relief is both necessary and appropriate.

7 **II.**

8 **STATEMENT OF FACTS**

9 The Debtor is a disabled veteran small business enterprise that has been operating since 2004.
10 A specific percentage of government contracts are set aside exclusively for performance by qualified
11 small business enterprises (the “Set Aside Programs”). The Set Aside Programs require all bid
12 proposals to include goods and/or services supplied by small business enterprises that qualify as:
13 1) women owned; 2) minority owned; 3) Native American owned; and 4) service disabled veteran
14 owned.

15 The Debtor was originally created to bid for and perform cost management and cost estimating
16 services under government contracts. Cost estimating contracts may be directly between the Debtor and
17 government entities, such as the Department of Defense. Alternatively, the Debtor may serve as a
18 subcontractor for cost estimating services under a contract bid by an architectural or engineering firm
19 that has a direct contract with a government entity. The Debtor employs two full-time cost estimators.
20 In 2016, the Debtor provided cost estimating services under 25 contracts that generated about eight
21 percent (8.0%) of its business, representing revenue of approximately \$317,000.00. *See*, Clarke
22 Declaration at ¶9.

23
24
25 ¹ Bankruptcy Rule 9006(c) provides, in pertinent part:
26 “when an act is required or allowed to be done at or within a specified time by these rules or be a notice given
27 thereunder or by order of the court, the court for cause shown may in its discretion with or without motion or
28 notice *order the period reduced.*”

² Rule 9075-1(a) and (b) of the Local Bankruptcy Rules for the Central District of California provides for
hearings on an emergency basis or, alternatively, on notice shorter than would otherwise be required under the
Local Bankruptcy Rules.

1 The principal and sole owner of the Debtor, Christopher Clarke (“Clarke”), began developing
2 facilities management business in 2010. The management of government facilities requires hiring
3 employees and staffing desks in government buildings to perform property management functions.
4 Under a facilities management contract, the Debtor hires employees to perform tasks identified by the
5 contract, pays the employees, and then submits an invoice for reimbursement of the employee wages,
6 costs of administration and an agreed percentage profit margin. In 2016, the Debtor employed about 35
7 people to provide facilities management services under numerous contracts directly with the
8 government and as a subcontractor. The facilities management contracts generated about 90% of the
9 Debtor’s business, representing revenue in 2016 of approximately \$3.8 million. *See*, Clarke
10 Declaration at ¶10.

11 Cumming Construction Management, Inc. (“Cumming”) asserts claims against the Debtor in
12 excess of \$500,000.00. From 2004 through 2015, Cumming performed all management,
13 administrative, accounting, financing and other business functions of the Debtor with employees of
14 Cumming and without participation by Christopher Clarke, the principal of the Debtor. Cumming:
15 a) developed substantially all the business, b) negotiated the terms of all contracts; c) negotiated the
16 terms of payments made to Clarke and to Cumming for profit etc.; d) set the terms of payment by the
17 Debtor to Cumming for expenses, etc.; e) decided when to change agreements between Cumming and
18 the Debtor regarding operations and funding and employed Cumming’s lawyers to draft the
19 agreements; f) changed the ownership of the shares of the Debtor; g) cancelled the Sub-Chapter S tax
20 status elected by the Debtor; and h) set all terms for the business relationship between Cumming and the
21 Debtor. Cumming has been and continues to represent itself in the government contract marketplace as
22 Clarke Project Solutions, Inc., a disabled veteran small business enterprise, and continues to provide
23 cost management and cost estimating services under contracts in that name.

24 The case was filed to stop aggressive collection actions by the disputed creditor, Cumming
25 Construction Management, Inc., (“Cumming”) which operates business under the guise of and in the
26 name of the Debtor. The Debtor asserts that Cumming holds no valid claim(s) against the Debtor
27 and that Cumming holds no valid interest in the cash collateral or other collateral in this case.

III.

RELIEF REQUESTED

3 The Debtor requests Court authority to pay the pre-petition wage related obligations and
4 honor their employee related pre-petition benefits. These obligations include prepetition payroll,
5 wages, salaries, federal, state and local payroll taxes, deductions and withholdings, payroll
6 deductions relating to various benefits, reimbursement of business expenses, and miscellaneous
7 other claims asserted by current employees (including, without limitation, worker's compensation,
8 medical, dental, life insurance, and disability insurance) (collectively, the "Prepetition
9 Compensation"). These benefits include vacation pay, sick leave, holiday pay, jury duty pay, and
10 other paid leave ("Benefits").

11 The pre-petition wages component of the Prepetition Compensation that is payable on
12 February 10, 2017 will be approximately \$129,400.10¹. The payroll for the Employees is paid in
13 arrears every two weeks. Payroll is due on February 10, 2017 for pre-petition wages for the period
14 January 27, 2017 through February 3, 2017. Attached to the Declaration of Christopher Clarke as
15 Exhibit “1” is the payroll register for the Debtor’s employees reflecting the payroll amount paid
16 every two weeks for each. The names of employees and all personal identification information has
17 been redacted. Exhibit 1 reflects the payroll amounts, including taxes and benefits, paid to
18 employees on January 27, 2017. Therefore, the estimated payroll, payroll tax, and benefit amounts
19 due on February 10, 2017 for pre-petition wages for the period January 27, 2017 through February 3,
20 2017 would be approximately the amount shown on Exhibit “1”.

21 The Prepetition Compensation amounts include compensation to the two insiders in this case,
22 but no payments will be made to the insiders until the Debtors' post-petition compensation is
23 authorized to be paid pursuant to the U.S. Trustee Guidelines. Furthermore, the payroll checks paid
24 pursuant to this motion will not exceed the \$12,850 wage priority limit provided for in Section 507
25 of the Bankruptcy Code.

¹ This number is based on the prior period's actual payroll paid on January 27, 2017, which the Debtor believes will approximate the current period payroll.

1 The Debtor also seeks an order authorizing the Debtors to retain its prepetition payroll
2 account(s) for a period of 30 days and directing the bank or other financial institution not to
3 otherwise impair the Debtors ability to deposit funds into and to withdraw funds from said
4 account(s), and authorizing the Debtors to take all actions reasonable and necessary to comply with
5 its obligations to its existing payroll service, Telepayroll, Inc., and the entry of an order (i) directing
6 all banks to honor the Debtor's prepetition checks for payment of any of the foregoing, and
7 (ii) prohibiting all banks from placing any holds on, or attempting to reverse, any automatic transfers
8 on account of the foregoing. Because the payroll accounts serve a very limited purpose, the Debtors
9 desire to retain these accounts during the case for thirty (30) days after the Petition Date. Because
10 these are limited purpose accounts, the retention of these accounts for this limited period will not
11 have any adverse impact upon the interests of creditors, since no pre-petition claims will be paid
12 from these accounts except to the extent authorized in this Motion, or otherwise, by this Court.

IV.

CAUSE EXISTS TO AUTHORIZE THE DEBTOR
TO PAY PRE-PETITION PAYROLL

A. The Court May Authorize Payment of Pre-Petition Payroll and Honoring of Benefits.

18 Bankruptcy Code section 507(a)(4) gives priority status to allowed unsecured claims for
19 wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an
20 individual within 180 days of the Petition Date, up to \$10,950 per individual. Specifically,
21 section 507(a)(4) provides in pertinent part:

(a) The following expenses and claims have priority in the following order: ...

(4) Fourth, allowed unsecured claims, but only to the extent of \$12,850 for each individual or corporation, as the case may be, earned within 180 days before the date of the filing of the petition or the date of the cessation of the debtor's business, whichever occurs first, for--

(A) wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual;

26 11 U.S.C. § 507(a)(4).

1 Courts have consistently authorized the payment of pre-petition priority wages and
2 other debt in the absence of a plan of reorganization, where such payments create "the
3 greatest likelihood of payment of creditors in full or at least proportionately."¹

4 As stated by the Ninth Circuit in In re Adams Apple, Inc., 829 F.2d 1484 (9th Cir.
5 1987):

6 [A]nother "fundamental tenet"--rehabilitation of debtors, which may supersede
7 the policy of equal treatment. Cases have permitted unequal treatment of
8 prepetition debts when necessary for rehabilitation, in such contexts as (i)
9 prepetition wages to key employees; (ii) hospital malpractice premiums incurred
10 prior to filing; (iii) debts to providers of unique and irreplaceable supplies; and
11 (iv) peripheral benefits under labor contracts. *See* Ordin, Case Comment, In re
12 Texlon Corporation, 596 F.2d 1092 (2d Cir.1979): Finality of Order of
13 Bankruptcy Court, 54 Amer.Bankr.L.J. 173, 177 (1980). ... [I]t illustrates a
14 Congressional willingness to subordinate the interests of pre-petition creditors to
15 the goal of rehabilitation.

16 Adams Apple, 829 F.2d at 1490.

17 Courts have also authorized Chapter 11 debtors to honor pre-petition employee benefits.
18 *See* Matter of Canton Casting, Inc., 103 B.R. 874 (Bankr.N.D.Ohio 1989) (authorizing payment
19 of pre-petition vacation benefits); In re Busy Beaver Bldg. Centers, Inc., 19 F.3d 833, 853 (3rd
20 Cir. 1994) ("the bankruptcy court entered numerous interim orders ...authorizing ... the payment
21 of pre-petition wages *and employee benefits...*"); In re Chateaugay Corp., 80 B.R. 279, 281
22 (S.D.N.Y. 1987) ("Judge Lifland, upon application of LTV, issued an order authorizing and
23 empowering LTV to continue payment of pre-petition wages and salaries, *employee*
24 *reimbursement expenses, and benefits.*").

25

26 ¹ *See* Matter of Columbia Gas, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994); In re Lehigh & New England Ry. Co., 657
27 F. 2d 570, 581 (3rd Cir. 1981); Ionosphere Club, 98 B.R. 175 (Bankr. S.D.N.Y. 1989); In re Structurlite Plastics Corp.,
28 (Structurlite I) 86 Bankr. 922, 932 (Bankr. S.D. Ohio 1988), *citing* In re Chateaugay Corp., 80 Bankr. 279, 287
(S.D.N.Y. 1987); In re Columbia Packing Co., 35 B.R. 447 (Bankr. D. Mass. 1983). Collier on Bankruptcy - 15th ed.
Revised, ¶ 507.05[1] (2000).

1 As set forth above, Section 507(a)(4) affords priority status to unsecured claims for wages,
2 salaries or commissions, including vacation, severance, and sick leave pay earned by an individual
3 within 180 days before the filing of a bankruptcy petition to the extent of \$12,850 for each such
4 individual. For a number of reasons, the Bankruptcy Code affords special treatment to certain pre-
5 petition claims of employees. Wages are priority claims, and thus must be paid in full in a
6 reorganization case. The ability to ensure that the employees receive their unpaid pre-petition salary
7 and do not miss a paycheck is critical to obtaining the stability necessary for a successful
8 reorganization, which benefits all creditors. Compared with a typical claim in bankruptcy, wages
9 represent a large part of an employee's wealth. In addition, unlike an ordinary trade creditor, the
10 typical employee does not have other sources of income and, thus, cannot diversify the risk of the
11 employer's default. Therefore, this Court has authority to allow the Debtors to pay certain pre-
12 petition claims.

13 In the within case, as more particularly set forth in the Clarke Declaration, ample cause exists
14 justifying payment of the pre-petition period wages. The Debtor provides facilities management
15 services under government contracts for locations nationwide. If the Debtor was prohibited from
16 paying prepetition payroll, it would likely result in disruption of government services in multiple
17 locations. If the Debtor fails to provide services under those contracts, there may be substantial
18 administrative damage claims for breach of the various facilities management contracts. As
19 evidenced by the Clarke Declaration, the maximization of the value of the Debtor is contingent upon
20 the continued operation of the Debtor's government contracting business. Since the loss of any
21 employee at this critical juncture could materially damage the Debtor's business operations, and
22 consequently the value of the overall business enterprise, compelling grounds exist for the entry of
23 an order authorizing the Debtor to pay and/or honor the pre-petition employee wages and
24 compensation in the amounts established by the Clarke Declaration. See, Clarke Declaration, ¶11.

25 The payroll register listing the Debtor's employees, and the wages paid to each employee for
26 the most recent pay period ending on January 20, 2017 and paid on January 37, 2017 is attached to
27 the Clarke Declaration as Exhibit "1". The payroll register is the best estimate of the anticipated
28 wages, taxes and benefits that will be due and payable to employees of the Debtor on February 10.

1 2017 for the pay period ending February 3, 2017. The estimated amount of payroll due February 10,
2 2017, including taxes, is \$130,000.00.

3 It is critical that the Debtor continue, in the ordinary course, those personnel policies that
4 were in effect prior to the Petition Date. If the checks issued by a payroll service such as
5 Telepayroll, Inc. in payment of any of the compensation or other employee obligations are
6 dishonored, or if such obligations are not timely paid postpetition, the employees may suffer extreme
7 personal hardship and may be unable to pay their daily living expenses. A loss of employee morale
8 and goodwill at this crucial juncture would undermine the Debtor's stability, and undoubtedly would
9 have a negative effect on the Debtor, its customers, the value of the business, and the ability to
10 achieve the Debtor's objectives in chapter 11. As noted by the court in In re Equalnet
11 Communications Corp., 258 B.R. 368 (Bankr. S.D. Tex. 2000), "the need to pay [pre-petition
12 employee wage claims] in an ordinary course of business time frame is simple common sense.
13 Employees are more likely to stay in place and to refrain from actions which could be detrimental to
14 the case and/or the estate if their pay and benefits remain intact and uninterrupted." Id. at 370.

15 Nothing in this Motion nor any payments made by the Debtor pursuant to this Motion, shall
16 be deemed an assumption or rejection of any employee benefit plan, employment agreement, other
17 program or contract, or otherwise affect the Debtor's rights under section 365 the Bankruptcy Code
18 to assume or reject any executory contract between the Debtor and any employee or any payroll
19 service.

20 The Debtor believes that, unless the Court allows the payments requested herein to its
21 employees, the disruption to the employees and business practices would substantially jeopardize the
22 Debtor's ability to reorganize its financial affairs.

23 **B. All the Cash Payments in Question Represent Payment of Priority Claims.**

24 All the payments in question constitute priority claims pursuant to Sections 507(a)(4) and
25 (a)(5) of the Bankruptcy Code, and are therefore more likely to be paid in any event. The Debtor is
26 unable to determine whether all vacation, severance and sick leave pay was earned by employees
27 within 180 days of the Petition Date or whether contributions to employee benefit plans arise from
28

1 services rendered within 180 days of the Petition Date. However, none of the payroll checks will
2 exceed this limit.

3 Since all priority payments must be made eventually before general unsecured claims can be
4 paid, the Courts often permit the payment of pre-petition wages so that the debtor-in-possession may
5 maintain an effective workforce, especially where the amount of the payment is relatively small and
6 where it appears that the wages being paid would ultimately qualify as priority claims. *In re Quality*
7 *Interiors, Inc.*, *supra*, at 396, citing 11 U.S.C. §507. The Debtor believes that all the subject pre-
8 petition wages, as well as claims for vacation and sick leave benefits and other related benefits,
9 constitute priority claims pursuant to the provisions of Sections 507(a)(4) and (a)(5), which will be
10 paid by the Debtor in any event. Consequently, there is ample authority and legal justification for
11 authorizing the Debtor to honor its wage and benefit commitments to current employees to the extent
12 that they constitute pre-petition obligations, as they are relatively small amounts and likely within
13 priority limits in any event.

14 **VI.**

15 **CONCLUSION**

16 Based upon the foregoing, the Debtor requests that this Court grant the relief herein
17 requested.

18 DATED: February 3, 2017

PAMELA JAN ZYLSTRA
A PROFESSIONAL CORPORATION

21 By:

22 Pamela J. Zylstra

23 Proposed Attorneys for Clarke Project Solutions, Inc.
Debtor and Debtor-in-Possession

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DECLARATION OF CHRISTOPHER CLARKE

I, Christopher Clarke, declare and state as follows:

3 1. Oath. I am the CEO of CLARKE PROJECT SOLUTIONS, INC., a California
4 corporation, fka CUMMING CLARKE (the “Debtor”) and have served in that capacity since 2015.
5 Prior to that time, I was an employee of the Debtor from 2010 through 2014 but had no managerial
6 authority or input. As a part of my responsibilities as CEO of the Debtor, I oversee the preparation
7 of the Debtor’s books and records which occur in the ordinary course of the business of the Debtor at
8 or about the time of the transactions to which they pertain. I am personally responsible for the
9 overseeing the maintenance and custody of the books and records of account of the Debtor and
10 personally participated in the preparation of the financial materials described below and attached to
11 this declaration. The matters stated herein are true and correct and are within my personal
12 knowledge, and if called upon to testify as a witness, I could and would testify competently thereto.

13 2. Service Disabled Veteran Small Business. I was a member of the Armed Forces and
14 served in combat in the Vietnam War. I am certified with a 30% service connected disability and
15 qualify under Federal and state regulations as a “service disabled veteran”. The Debtor is a disabled
16 veteran small business enterprise that has been operating since 2004. A specific percentage of
17 government contracts are set aside exclusively for performance by qualified small business enterprises
18 (the “Set Aside Programs”). The Set Aside Programs require all bid proposals to include goods and/or
19 services supplied by small business enterprises that qualify as: 1) women owned; 2) minority owned;
20 3) Native American owned; and 4) service disabled veteran owned.

21 3. Reason for Filing Case. The Debtor filed a voluntary petition under Chapter 11 of the
22 United States Bankruptcy Code on February 2, 2017 (the “Petition Date”). The case was filed to
23 stop aggressive collection actions by the disputed creditor, Cumming Construction Management,
24 Inc., (“Cumming”) which operates business under the guise of and in the name of the Debtor. The
25 Debtor asserts that Cumming holds no valid claim(s) against the Debtor and that Cumming holds no
26 valid interest in the cash collateral or other collateral in this case. The Debtor filed concurrently
27 herewith a motion requesting authority to use cash collateral on an interim basis to facilitate the

1 Debtor's ability to pay its payroll obligations and post-petition accounts payable in an orderly
2 fashion as they are incurred in the ordinary course of the Debtor's business post-petition.

3 4. Payroll and Benefits. The Debtor requests Court authority to pay the pre-petition
4 wage related obligations and honor the employee related pre-petition benefits. These obligations
5 include prepetition payroll, wages, salaries, federal, state and local payroll taxes, deductions and
6 withholdings, payroll deductions relating to various benefits, reimbursement of business expenses,
7 and miscellaneous other claims asserted by current employees (including, without limitation,
8 worker's compensation, medical, dental, life insurance, and disability insurance) (collectively, the
9 "Prepetition Compensation"). These benefits include vacation pay, sick leave, holiday pay, jury
10 duty pay, and other paid leave ("Benefits").

11 5. Payroll Register. The pre-petition wages component of the Prepetition Compensation
12 that is payable on February 10, 2017 will be approximately \$129,400.10, based on the most recent
13 payroll amount paid on January 27, 2017. The payroll for the Employees is paid in arrears every two
14 weeks. Payroll is due on February 10, 2017 for pre-petition wages for the period January 27, 2017
15 through February 3, 2017. A true and correct copy of the payroll register for the Debtor's employees
16 reflecting the payroll amount paid every two weeks for each is attached as Exhibit 1. The payroll
17 register reflects the payroll amounts, including taxes and benefits, paid to employees on January 27,
18 2017. The names of employees and all personal identification information has been redacted from
19 the payroll register. The estimated payroll, payroll tax, and benefit amounts due on February 10,
20 2017 for pre-petition wages for the period January 27, 2017 through February 3, 2017 would be
21 approximately \$129,400.10 as shown on Exhibit "1". Each payroll check included in the payroll
22 checks to be paid pursuant to this motion will not exceed the \$12,850 wage priority limit provided
23 for in Section 507 of the Bankruptcy Code.

24 6. Failure to Pay Payroll Is Hardship For Employees. It is critical that the Debtor
25 continue, in the ordinary course, those personnel policies that were in effect prior to the Petition
26 Date. If the checks issued by a payroll service such as Telepayroll, Inc. in payment of any of the
27 compensation or other employee obligations are dishonored, or if such obligations are not timely
28 paid postpetition, the employees may suffer extreme personal hardship and may be unable to pay

1 their daily living expenses. A loss of employee morale and goodwill at this crucial juncture would
2 undermine the Debtor's stability, and undoubtedly would have a negative effect on the Debtor, its
3 customers, the value of the business, and the ability to achieve the Debtor's objectives in chapter 11.

4 7. Compensation of Insiders. The Prepetition Compensation amounts include
5 compensation to the two insiders in this case, but no payments will be made to the insides until the
6 post-petition compensation is authorized to be paid to insiders pursuant to the U.S. Trustee
7 Guidelines. Furthermore, the payroll checks paid pursuant to this motion will not exceed the
8 \$12,850 wage priority limit provided for in Section 507 of the Bankruptcy Code.

9 8. Preservation of Labor Force. The Debtor is in the business of providing labor under
10 government contracts. If the Debtor's employees are not paid, they will cease working and seek
11 employment elsewhere. Any such disruption would have a devastating effect upon the Debtor's
12 business and its reputation in the government contracting market. In contrast, if the Debtor obtains
13 the relief sought herein, the business operation will continue in the ordinary course, customer needs
14 will be met, and the overall value of the Debtor's business enterprise will be preserved for creditors.

15 9. Cost Estimating Business. The Debtor was originally created to bid for and perform
16 cost management and cost estimating services under government contracts. Cost estimating contracts
17 may be directly between the Debtor and government entities, such as the Department of Defense.
18 Alternatively, the Debtor may serve as a subcontractor for cost estimating services under a contract bid
19 by an architectural or engineering firm that has a direct contract with a government entity. The Debtor
20 employs two full-time cost estimators. In 2016, the Debtor provided cost estimating services under two
21 contracts that generated about eight percent (8.0%) of its business, representing revenue of
22 approximately \$317,000.00.

23 10. Facilities Management Business. I am the sole owner of the Debtor and I began
24 developing facilities management business in 2010. The management of government facilities requires
25 hiring employees and staffing desks in government buildings to perform property management
26 functions. Under a facilities management contract, the Debtor hires employees to perform tasks
27 identified by the contract, pays the employees, and then submits an invoice for reimbursement of the
28 employee wages, costs of administration and an agreed percentage profit margin. In 2016, the Debtor

1 employed about 35 people to provide facilities management services under numerous contracts directly
2 with the government and as a subcontractor. The facilities management contracts generated about 90%
3 of the Debtor's business, representing revenue in 2016 of approximately \$3.8 million.

4 11. Disruption of Government Contracts. The Debtor provides facilities management
5 services under government contracts for locations nationwide. If the Debtor was prohibited from
6 paying prepetition payroll, it would likely result in disruption of government services in multiple
7 locations. If the Debtor fails to provide services under those contracts, there may be substantial
8 administrative damage claims for breach of the various facilities management contracts. Protecting
9 and maximizing the value of the Debtor is contingent upon the continued operation of the Debtor's
10 government contracting business.

11 12. Disputed Creditor Cumming. Cumming Construction Management, Inc. ("Cumming")
12 asserts claims against the Debtor in excess of \$500,000.00. From 2004 through 2015, Cumming
13 performed all management, administrative, accounting, financing and other business functions of the
14 Debtor with employees of Cumming and without my participation. Cumming: a) developed
15 substantially all the business, b) negotiated the terms of all contracts; c) negotiated the terms of
16 payments made to Clarke and to Cumming for profit etc.; d) set the terms of payment by the Debtor to
17 Cumming for expenses, etc.; e) decided when to change agreements between Cumming and the Debtor
18 regarding operations and funding and employed Cumming's lawyers to draft the agreements;
19 f) changed the ownership of the shares of the Debtor; g) cancelled the Sub-Chapter S tax status elected
20 by the Debtor; and h) set all terms for the business relationship between Cumming and the Debtor.
21 Cumming has been and continues to represent itself in the government contract marketplace as Clarke
22 Project Solutions, Inc., a disabled veteran small business enterprise, and continues to provide cost
23 management and cost estimating services under contracts in that name.

24 13. Maintain Payroll Deposit Account. The Debtor requests authority to retain its
25 prepetition payroll account(s) for a period of 30 days and an order directing the bank or other
26 financial institution not to otherwise impair the Debtor's ability to deposit funds into and to
27 withdraw funds from said account(s), and authorizing the Debtors to take all actions reasonable and
28 necessary to comply with its obligations to its existing payroll service, Telepayroll, Inc.. and the

EXHIBIT 1

#4705 Clarke Project Solutions, Inc. Payroll Register With Year To Date (S109)

Employee Name		Social Security Number		Deductions Description		Salary	Frequency	Check Number		Check Date	Check Type	Net Check Amount
Earnings Description	Rate of Pay	Current Hours	Current Amount	YTD Hours	YTD Amount	Current Amount	YTD Amount	Taxes Description		Current Amount	YTD Amount	0.00
01 Regular	0.00	59.00	0.00	121.00	0.00	20 Direct Deposit Cr	1,034.27	-99997072 Memo		01/27/2017	Regular	429.38
04 Holiday	0.00	17.00	0.00	35.00	0.00	21 Direct Deposit Sa	20.00	2,068.54 Federal (S/0)		132.62	OASDI	305.24
06 PTO	0.00	4.00	0.00	4.00	0.00	22 2nd Direct Depos	600.00	1,200.00 Medicare		35.69	Medicare	71.38
07 Salary	0.00	0.00	2,461.54	0.00	4,923.08			State MD (14/0)		189.58		379.16
Check Totals:		80.00	2,461.54	160.00	4,923.08			1,654.27		3,308.54		807.27
01 Regular	0.00	73.00	0.00	138.50	0.00	11 Phone Reimburs	-75.00	-99997071 Memo		01/27/2017	Regular	386.44
04 Holiday	0.00	8.00	0.00	24.00	0.00	20 Direct Deposit Cr	2,852.92	75.00 Federal (M/3)		224.15	OASDI	448.30
07 Salary	0.00	0.00	3,615.38	0.00	7,230.76			5,630.84 Medicare		52.42	Medicare	104.84
Check Totals:		81.00	3,615.38	162.50	7,230.76			State PA (S/M/3)		110.99		221.98
								East Berlin Boro LST		2.00		4.00
								East Berlin Boro Res		61.46		122.92
								837.46		1,674.92		
01 Regular	0.00	48.00	0.00	112.00	0.00	20 Direct Deposit Cr	1,763.39	-99997070 Memo		01/27/2017	Regular	400.53
04 Holiday	0.00	8.00	0.00	24.00	0.00			3,525.87 Federal (S/0)		145.46	OASDI	801.06
06 PTO	0.00	24.00	0.00	24.00	0.00			145.46 Medicare		34.02	Medicare	290.92
07 Salary	0.00	0.00	2,346.15	0.00	4,692.30			3,525.87 EE Washington L&I		2.75		68.04
Check Totals:		80.00	2,346.15	160.00	4,692.30			582.76		1,166.43		6.41
01 Regular	0.00	72.00	0.00	120.00	0.00	20 Direct Deposit Cr	3,185.61	-99997069 Memo		01/27/2017	Regular	838.00
04 Holiday	0.00	8.00	0.00	24.00	0.00			6,371.22 Federal (S/2)		270.13	OASDI	1,676.00
06 PTO	0.00	0.00	0.00	16.00	0.00			63.18 Medicare		63.18	Medicare	540.26
07 Salary	0.00	0.00	4,356.92	0.00	8,713.84			1,171.31		126.36		126.36
Check Totals:		80.00	4,356.92	160.00	8,713.84			3,185.61		6,371.22		2,342.62

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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (\$109)										
Check Date :		01/27/2017-1								
Period Range :		01/07/2017 TO 01/20/2017								
Week Number :		Week #4								
Employee Name	Rate of Pay	Current Hours	Amount	YTD Hours	Amount	Salary Deductions Description	Current Amount	YTD Amount	Frequency	Check Number
01 Regular	0.00	56.00	0.00	120.00	0.00	03 Child Support	343.57	687.14	Bi-Weekly	-99997068 Memo
04 Holiday	0.00	8.00	0.00	24.00	0.00	10 Child Support	120.81	241.62		Federal (S/0)
06 PTO	0.00	16.00	0.00	16.00	0.00	20 Direct Deposit Cr	614.27	1,584.58		OASDI
07 Salary	0.00	0.00	2,230.77	0.00	4,461.54	21 Direct Deposit Sa	153.57	396.15		Medicare
						25 Medical 125	621.57			AK-SUI (EE)
						26 Dental 125	44.18			
Check Totals:		80.00	2,230.77	160.00	4,461.54		1,897.97	3,575.25		
						3653.85	2,345.95	4,691.90	Bi-Weekly	-99997067 Memo
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	250.00	500.00		Federal (S/0)
04 Holiday	0.00	8.00	0.00	24.00	0.00	21 Direct Deposit Sa				OASDI
07 Salary	0.00	0.00	3,653.85	0.00	7,307.70					Medicare
Check Totals:		80.00	3,653.85	160.00	7,307.70		2,595.95	5,191.90		
						3076.92	2,212.98	4,607.40	Bi-Weekly	-99997066 Memo
01 Regular	0.00	72.00	0.00	136.00	0.00	10 Reimbursement	0.00	-181.44		Federal (M1)
04 Holiday	0.00	8.00	0.00	24.00	0.00	20 Direct Deposit Cr				OASDI
07 Salary	0.00	0.00	3,076.92	0.00	6,153.84					Medicare
										State GA (OB/0)
Check Totals:		80.00	3,076.92	160.00	6,153.84		2,212.98	4,425.96		
						1980.77	-1,191.80	-1,191.80	Bi-Weekly	-99997065 Memo
01 Regular	0.00	78.00	0.00	142.00	0.00	10 Reimbursement				Federal (S/2)
04 Holiday	0.00	0.00	0.00	16.00	0.00	11 Phone Reimburs	-75.00	-75.00		OASDI
07 Salary	0.00	0.00	2,230.77	0.00	4,461.54	12 Expense Reimb	-50.00	-50.00		Medicare
						20 Direct Deposit Cr	2,944.80	4,572.80		State MD (2/2)
Check Totals:		78.00	2,230.77	158.00	4,461.54		1,628.00	3,256.00		

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Payroll Register With Year To Date (\$109)

Check Date :	01/27/2017-1
Period Range :	01/07/2017 TO 01/20/2017
Week Number :	Week #4

Employee Name	Rate of Pay	Current Hours	Current Amount	YTD Hours	YTD Amount	Salary Deductions Description	Current Amount	YTD Amount	Frequency	Check Number	Taxes Description	Check Date	Check Type	Net Check Amount
Payroll Register														
01 Regular	64.00	0.00	126.75	0.00	11 Phone Reimburs	1807.69	Bi-Weekly	-50.00	-99997064 Memo	01/27/2017	Regular	0.00	0.00	
04 Holiday	8.00	0.00	24.00	0.00	20 Direct Deposit Cr	984.14		-50.00	Federal (M/0)	185.38		370.76		
06 PTO	8.00	0.00	8.00	0.00	21 Direct Deposit Sa	500.00		1,918.28	OASDI	112.08		224.16		
07 Salary	0.00	1,807.69	0.00	3,615.38				1,000.00	Medicare	26.21		52.42		
Check Totals:	80.00	1,807.69	158.75	3,615.38					State CA (M/0)	33.61		67.22		
01 Regular	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	1,128.22	Bi-Weekly	2,256.44	-99997063 Memo	01/27/2017	Regular	0.00	0.00	
04 Holiday	8.00	0.00	24.00	0.00	22 2nd Direct Depos	500.00		1,000.00	Federal (S/0)	155.00		310.00		
07 Salary	0.00	2,500.00	0.00	5,000.00					OASDI	36.25		72.50		
Check Totals:	80.00	2,500.00	160.00	5,000.00					Medicare	141.54		283.08		
01 Regular	32.00	0.00	88.00	0.00	20 Direct Deposit Cr	1,900.90	Bi-Weekly	3,256.44	-99997062 Memo	01/27/2017	Regular	0.00	0.00	
04 Holiday	8.00	0.00	24.00	0.00					Federal (M/2)	227.50		494.82		
06 PTO	24.00	0.00	24.00	0.00					OASDI	148.80		314.06		
07 Salary	0.00	2,400.00	0.00	5,065.44					Medicare	34.80		73.45		
08 Unpaid Time	16.00	0.00	24.00	0.00					State MO (M/1)	88.00		190.00		
Check Totals:	80.00	2,400.00	160.00	5,065.44								871.78	1,743.56	
Clarke, Christopher A - 40 XXX-XX-XXXX-														
01 Regular	80.00	0.00	160.00	0.00	10 Reimbursement	3461.54	Bi-Weekly	3,993.11	-99997061 Memo	01/27/2017	Regular	0.00	0.00	
07 Salary	0.00	3,461.54	0.00	6,923.08	20 Direct Deposit Cr	2,472.35		-356.77	Federal (M/0)	700.00		1,400.00		
Check Totals:	80.00	3,461.54	160.00	6,923.08					OASDI	214.62		429.24		
									Medicare	50.19		100.38		
									State CA (M/0)	350.00		700.00		
									State CA EE SDI (M/0)	31.15		62.30		
										1,345.96		2,691.92		

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Payroll Register With Year To Date (\$109)

Check Date :	01/27/2017-1
Period Range :	01/07/2017 TO 01/20/2017
Week Number :	Week #4

Employee Name	Rate of Pay	Current Hours	Amount	Hours	YTD Amount	Salary Deductions Description	Current Amount	YTD Amount	Frequency	Check Number	Check Date	Check Type	Net Check Amount
01 Regular	0.00	84.50	0.00	121.50	0.00	20 Direct Deposit Cr	2,997.69	5,998.92	Bi-Weekly	-99997050 Memo	01/27/2017	Regular	758.98
04 Holiday	0.00	0.00	0.00	16.00	0.00	OASDI		252.63					1,517.96
06 PTO	0.00	0.00	0.00	28.00	0.00	Medicare		59.08					505.26
07 Salary	0.00	0.00	3,923.08	0.00	7,846.16	EE Washington L&I		6.30					118.16
17 Ins Reimb Tr	0.00	0.00	151.60	0.00	303.20								9.06
Check Totals:		84.50	4,074.68	165.50	8,149.36								1,076.99
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	1,645.30	3,321.95	Bi-Weekly	-99997059 Memo	01/27/2017	Regular	230.80
04 Holiday	0.00	8.00	0.00	24.00	0.00	26 Dental 125	43.37	43.37		OASDI			130.85
07 Salary	0.00	0.00	2,153.85	0.00	4,307.70	Medicare		30.60					61.83
Check Totals:		80.00	2,153.85	160.00	4,307.70	State LA (J)		72.93					148.05
01 Regular	0.00	72.00	0.00	120.00	0.00	20 Direct Deposit Cr	2,655.70	5,313.77	Bi-Weekly	-99997058 Memo	01/27/2017	Regular	465.18
04 Holiday	0.00	8.00	0.00	24.00	0.00	26 Dental 125	43.37	43.37		OASDI			243.23
06 PTO	0.00	0.00	0.00	16.00	0.00	Medicare		56.88					486.46
07 Salary	0.00	0.00	3,923.08	0.00	7,846.16	EE Washington L&I		7.12					113.76
Check Totals:		80.00	3,923.08	160.00	7,846.16								11.87
01 Regular	0.00	72.00	0.00	136.00	0.00	10 Reimbursement	-186.18	-186.18	Bi-Weekly	-99997057 Memo	01/27/2017	Regular	1,267.38
04 Holiday	0.00	0.00	0.00	16.00	0.00	11 Phone Reimburs	-50.00	-50.00		OASDI			255.82
06 PTO	0.00	8.00	0.00	8.00	0.00	20 Direct Deposit Cr	1,556.33	2,876.48		Medicare			119.23
07 Salary	0.00	0.00	1,923.08	0.00	3,846.16	22 2nd Direct Depos	200.00	400.00					238.46
Check Totals:		80.00	1,923.08	160.00	3,846.16								27.88
													55.76
													402.93
													805.86

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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (\$109)									
Employee Name		Social Security Number		Salary Deductions		Check Number		Check Type	
Earnings Description	Rate of Pay	Current Hours	Amount	YTD Hours	Amount	Current Amount	YTD Amount	Current Amount	YTD Amount
01 Regular	72.00	0.00	136.00	0.00	11 Phone Reimburs	75.00	-99997056 Memo	01/27/2017	Regular
04 Holiday	0.00	0.00	16.00	0.00	20 Direct Deposit Ct	2,425.87	Federal (S/1)	582.74	1,165.48
06 PTO	8.00	0.00	8.00	0.00	21 Direct Deposit Sa	50.00	OASDI	200.31	400.62
07 Salary	0.00	0.00	3,230.77	0.00	6,461.54		Medicare	46.85	93.70
Check Totals:	80.00	3,230.77	160.00	6,461.54		2,400.87	4,801.74		
01 Regular	64.00	0.00	128.00	0.00	20 Direct Deposit Ct	1,992.03	-99997055 Memo	01/27/2017	Regular
04 Holiday	8.00	0.00	24.00	0.00			Federal (M/0)	1,384.47	2,768.94
06 PTO	8.00	0.00	8.00	0.00			OASDI	246.87	493.74
07 Salary	0.00	0.00	3,981.73	0.00	7,963.46		Medicare	57.74	115.48
Check Totals:	80.00	3,981.73	160.00	7,963.46		1,992.03	3,984.06		
01 Regular	49.00	0.00	113.00	0.00	20 Direct Deposit Ct	1,297.97	-99997054 Memo	01/27/2017	Regular
04 Holiday	8.00	0.00	24.00	0.00			Federal (S/0)	251.49	502.98
06 PTO	23.00	0.00	23.00	0.00			OASDI	108.50	217.00
07 Salary	0.00	1,750.00	0.00	3,500.00			Medicare	25.38	50.75
Check Totals:	80.00	1,750.00	160.00	3,500.00		1,297.97	2,595.94		
01 Regular	72.00	0.00	136.00	0.00	20 Direct Deposit Ct	1,446.34	-99997053 Memo	01/27/2017	Regular
04 Holiday	8.00	0.00	24.00	0.00			Federal (S/4)	145.34	290.68
07 Salary	0.00	1,800.00	0.00	3,600.00			OASDI	111.60	223.20
Check Totals:	80.00	1,800.00	160.00	3,600.00		1,446.34	2,892.68		

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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (\$109)										
Employee Name		Rate of Pay		Current Hours		Social Security Number		Salary Description		Net Check
Earnings Description		Hours		Amount		YTD Hours		Deductions Amount		Check Number
01 Regular	0.00	103.00	0.00	172.00	0.00	20 Direct Deposit Cr	2,072.64	4,145.28	-99997052 Memo	01/27/2017 Regular
04 Holiday	0.00	0.00	0.00	16.00	0.00				Federal (M1)	271.63
06 PTO	0.00	0.00	0.00	8.00	0.00				OASDI	157.38
07 Salary	0.00	0.00	2,307.69	0.00	4,615.38				Medicare	36.81
17 Ins Reimb Tr	0.00	0.00	230.77	0.00	461.54					73.62
Check Totals:		103.00	2,538.46	196.00	5,076.92					
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	2,066.21	4,163.17	-99997051 Memo	01/27/2017 Regular
04 Holiday	0.00	8.00	0.00	24.00	0.00	26 Dental 125	43.37	43.37	Federal (M0)	447.46
07 Salary	0.00	0.00	2,931.54	0.00	5,863.08				OASDI	179.07
Check Totals:		80.00	2,931.54	160.00	5,863.08				Medicare	41.88
01 Regular	0.00	64.00	0.00	64.00	0.00	11 Phone Reimburs	-75.00	-75.00	State NY (M)	153.55
04 Holiday	0.00	8.00	0.00	8.00	0.00	20 Direct Deposit Cr	1,247.99	1,247.99	OASDI	238.46
06 PTO	0.00	8.00	0.00	8.00	0.00	22 2nd Direct Depos	1,569.00	1,569.00	Medicare	55.77
07 Salary	0.00	0.00	3,846.15	0.00	3,846.15				State HI (M)	259.35
Check Totals:		80.00	3,846.15	80.00	3,846.15					
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	2,493.60	5,013.52	-99997049 Memo	01/27/2017 Regular
04 Holiday	0.00	8.00	0.00	24.00	0.00	26 Dental 125	43.37	43.37	Federal (S2)	638.73
07 Salary	0.00	0.00	3,653.85	0.00	7,307.70				OASDI	223.85
Check Totals:		80.00	3,653.85	160.00	7,307.70				Medicare	52.35
									State NY (S0)	201.95
										406.79
										1,116.88
										2,250.81

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Payroll Register With Year To Date (\$109)

Check Date :	01/27/2017-1
Period Range :	01/07/2017 TO 01/20/2017
Week Number :	Week #4

Employee Name Earnings Description	Rate of Pay	Current Hours	Amount	YTD Hours	Amount	Salary Deductions Description	Frequency	Current Amount	YTD Amount	Check Number Taxes Description	Check Date	Check Type	Net Check YTD Amount
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	Bi-Weekly	1,642.67	3,285.34	-99997048 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00					Federal (S/0)			801.06
07 Salary	0.00	0.00	2,346.15	0.00	4,692.30					OASDI			290.92
Check Totals:		80.00	2,346.15	160.00	4,692.30					Medicare			68.04
										State KY (S/0)			246.94
01 Regular	0.00	72.00	0.00	104.00	0.00	20 Direct Deposit Cr	Bi-Weekly	1,764.07	3,285.34	-99997047 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00	25 Medical 125	Bi-Weekly	207.19	424.23	Federal (S/0)			911.30
06 PTO	0.00	0.00	0.00	32.00	0.00	26 Dental 125	Bi-Weekly	44.18	151.34	OASDI			318.26
07 Salary	0.00	0.00	2,692.31	0.00	5,384.62					Medicare			74.43
Check Totals:		80.00	2,692.31	160.00	5,384.62					State AZ (S/0)			138.60
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	Bi-Weekly	2,017.96	4,035.92	-99997046 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00					Federal (M/0)			509.90
07 Salary	0.00	0.00	2,971.15	0.00	5,942.30					OASDI			184.21
Check Totals:		80.00	2,971.15	160.00	5,942.30					Medicare			43.08
										State MO (M/0)			86.16
													432.00
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	Bi-Weekly	1,974.10	3,948.20	-99997045 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00					Federal (S/0)			535.15
07 Salary	0.00	0.00	2,884.62	0.00	5,769.24					OASDI			178.85
Check Totals:		80.00	2,884.62	160.00	5,769.24					Medicare			41.83
										State NY (S/0)			134.69
													309.38
01 Regular	0.00	72.00	0.00	128.00	0.00	20 Direct Deposit Cr	Bi-Weekly	1,469.34	2,938.68	-99997044 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00					Federal (S/0)			637.60
06 PTO	0.00	0.00	0.00	8.00	0.00					OASDI			250.38
07 Salary	0.00	0.00	2,019.23	0.00	4,038.46					Medicare			58.56
Check Totals:		80.00	2,019.23	160.00	4,038.46					State KS (S/0)			153.24
													549.89
													1,093.78

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Payroll Register With Year To Date (\$109)

Check Date :	01/27/2017-1
Period Range :	01/07/2017 TO 01/20/2017
Week Number :	Week #4

Employee Name	Rate of Pay	Current Hours	Current Amount	Hours	YTD Amount	Salary Deductions Description	Current Amount	Frequency	YTD Amount	Taxes Description	Check Number	Check Date	Check Type	Net Check YTD Amount
01 Regular	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	2153.85	Bi-Weekly		-99997043 Memo	01/27/2017	Regular		0.00	
04 Holiday	8.00	0.00	24.00	0.00		3,298.06	Federal (M/0)					237.31	474.62	
06 PTO	0.00	2,153.85	0.00		4,307.70	OASDI						133.54	267.08	
07 Salary	0.00					Medicare						31.23	62.46	
Check Totals:	80.00	2,153.85	160.00		4,307.70	State PA (S/M/0)						66.12	132.24	
						Cumberland TWP						36.62	73.24	
												504.82	1,009.64	
01 Regular	72.00	0.00	104.00	0.00	20 Direct Deposit Cr	4000.00	Bi-Weekly		-99997042 Memo	01/27/2017	Regular		0.00	
04 Holiday	8.00	0.00	24.00	0.00	26 Dental 125	2,616.02	Federal (S/0)					813.15	1,638.45	
06 PTO	0.00	0.00	32.00	0.00		5,257.34	OASDI					245.31	493.31	
07 Salary	0.00	0.00	0.00	8,000.00		Medicare						57.37	115.37	
Check Totals:	80.00	4,000.00	160.00		8,000.00	State GA (J/A/0)						224.78	452.16	
												1,340.61	2,699.29	
01 Regular	72.00	0.00	136.00	0.00	20 Direct Deposit Cr	2038.46	Bi-Weekly		-99997041 Memo	01/27/2017	Regular		0.00	
04 Holiday	8.00	0.00	24.00	0.00		1,508.54	Federal (M/0)					220.00	440.00	
06 PTO	0.00	2,038.46	0.00		4,076.92	OASDI						126.38	252.76	
07 Salary	0.00					Medicare						29.56	59.12	
Check Totals:	80.00	2,038.46	160.00		4,076.92	State MD (45/0)						153.98	307.96	
												529.92	1,059.84	
01 Regular	25.00	41.00	1,025.00	78.00	11 Phone Reimburs	0.00	Bi-Weekly		-99997040 Memo	01/27/2017	Regular		0.00	
04 Holiday	0.00	0.00	0.00	8.00	200.00	20 Direct Deposit Cr						122.55	260.10	
Check Totals:	41.00	1,025.00	86.00		2,150.00	21 Direct Deposit Sa						63.55	133.30	
												14.86	31.17	
												200.96	424.57	

#4705 Clarke Project Solutions, Inc.

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25Telepayroll, Inc.
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Payroll Register With Year To Date (\$109)

Check Date :	01/27/2017-1
Period Range :	01/07/2017 TO 01/20/2017
Week Number :	Week #4

Employee Name Earnings Description	Rate of Pay	Current Hours	Amount	Hours	YTD Amount	Salary Deductions Description	Current Amount	YTD Amount	Frequency	Check/Number	Taxes Description	Check Date	Check Type	Net Check Amount
01 Regular	0.00	86.50	0.00		172.00	0.00	13 Advance	250.00	500.00	-99997039 Memo	Federal (S6)	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00		24.00	0.00	20 Direct Deposit Cr	2,710.58	5,654.13		OASDI			611.36
07 Salary	0.00	0.00	4,538.46		0.00	9,076.92	25 Medical 125	414.38	414.38		Medicare			255.69
Check Totals:		94.50	4,538.46		196.00	9,076.92					State CA (H4)			59.80
											State CA EE SDI (H4)			125.61
														441.45
														37.12
														77.97
														1,163.50
														2,508.41
														0.00
01 Regular	0.00	72.00	0.00		136.00	0.00	20 Direct Deposit Cr	1,618.78	3,237.56	-99997038 Memo	Federal (S10)	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00		24.00	0.00					OASDI			390.91
07 Salary	0.00	0.00	2,307.69		0.00	4,615.38					Medicare			143.08
Check Totals:		80.00	2,307.69		160.00	4,615.38					State GA (1B)			33.46
														121.46
														242.92
														688.91
														1,377.82
01 Regular	0.00	72.00	0.00		136.00	0.00	20 Direct Deposit Cr	1,820.33	3,674.66	-99997037 Memo	Federal (M2)	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00		24.00	0.00	26 Dental 125	43.37	43.37		OASDI			195.61
07 Salary	0.00	0.00	2,230.77		0.00	4,461.54					Medicare			135.62
Check Totals:		80.00	2,230.77		160.00	4,461.54					EE Washington L&I			31.72
														4.12
														7.78
														688.91
														1,377.82
01 Regular	0.00	72.00	0.00		136.00	0.00	20 Reimbursement	1,863.70	3,718.03	-99997036 Memo	Federal (M3)	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00		24.00	0.00	20 Direct Deposit Cr	3,552.14	6,749.35		OASDI			529.90
07 Salary	0.00	0.00	4,230.77		0.00	8,461.54					Medicare			262.31
Check Totals:		80.00	4,230.77		160.00	8,461.54					State NC (MW7)			61.35
														180.00
														360.00
														1,033.56
														2,067.12

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Page

Payroll Register With Year To Date (\$109)

Check Date :	01/27/2017-1
Period Range :	01/07/2017 TO 01/20/2017
Week Number :	Week #4

Employee Name	Rate of Pay	Current Hours	Amount	YTD Hours	Amount	Social Security Number	Deductions Description	Current Amount	YTD Amount	Frequency	Check Number	Taxes Description	Check Date	Check Type	Net Check	YTD Amount
01 Regular	72.00	0.00	136.00	0.00	136.00	2096.15	Bi-Weekly				-99997035 Memo		01/27/2017	Regular	0.00	0.00
04 Holiday	8.00	0.00	24.00	0.00	24.00		20 Direct Deposit Cr	1,517.62	3,035.24	Federal (S/0)					338.03	676.06
07 Salary	0.00	2,096.15	0.00	4,192.30			OASDI			Medicare					129.96	259.92
Check Totals:	80.00	2,096.15	160.00	4,192.30			State KS (S/0)								30.39	60.78
01 Regular	72.00	0.00	136.00	0.00	136.00	1923.08	Bi-Weekly				-99997034 Memo		01/27/2017	Regular	0.00	1,157.06
04 Holiday	8.00	0.00	24.00	0.00	24.00		20 Direct Deposit Cr	1,384.89	2,769.78	Federal (S/1)					255.82	511.64
07 Salary	0.00	1,923.08	0.00	3,846.16			OASDI			Medicare					119.23	238.46
Check Totals:	80.00	1,923.08	160.00	3,846.16			State MD (23/1)								27.88	55.76
01 Regular	72.00	0.00	128.00	0.00	128.00	2320.00	Bi-Weekly				-99997033 Memo		01/27/2017	Regular	0.00	270.52
04 Holiday	8.00	0.00	24.00	0.00	24.00		20 Direct Deposit Cr	1,796.78	3,593.56	Federal (M/0)					262.23	524.46
06 PTO	0.00	0.00	8.00	0.00	8.00		OASDI			Medicare					143.84	287.68
07 Salary	0.00	2,320.00	0.00	4,640.00			State LA (0/0)								33.64	67.28
Check Totals:	80.00	2,320.00	160.00	4,640.00											83.51	167.02
01 Regular	71.00	0.00	106.00	0.00	106.00	3884.62	Bi-Weekly				-99997032 Memo		01/27/2017	Regular	0.00	1,046.44
04 Holiday	9.00	0.00	27.00	0.00	27.00		20 Direct Deposit Cr	2,955.13	5,910.26	Federal (M/2)					482.31	964.62
06 PTO	0.00	0.00	27.00	0.00	27.00		OASDI			Medicare					240.85	481.70
07 Salary	0.00	3,884.62	0.00	7,769.24			State CO (M/2)								56.33	112.66
Check Totals:	80.00	3,884.62	160.00	7,769.24											150.00	300.00
01 Regular	36.00	981.00	68.00	1,853.00			0.00				-99997031 Memo		01/27/2017	Regular	0.00	1,853.98
04 Holiday	4.00	109.00	12.00	327.00			20 Direct Deposit Cr	913.81	1,827.62	Federal (M/1)					60.15	120.30
Check Totals:	40.00	1,090.00	80.00	2,180.00			OASDI			Medicare					67.58	135.16
							State AL (M/1)								15.81	31.62
															32.65	65.30
															176.19	352.38

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Telepayroll, Inc.
 phone: 800-442-4988
 fax: 800-736-1555
 e-mail: Taxfiling@Telepayroll.Com

Payroll Register With Year To Date (\$109)										
Check Date :		01/07/2017 TO 01/20/2017								
Period Range :		Week #4								
Employee Name		Social Security Number		Salary		Frequency		Check Number		Check Date
Earnings Description	Rate of Pay	Current Amount	Hours	YTD Amount	Amount	Deductions Description	Current Amount	YTD Amount	Taxes Description	Check Type
Company						42 Checks	42 EMPLOYEES			Net Check
01 Regular	0.00	2889.00	2,006.00	5350.75	5350.75	03 Child Support	343.57	687.14	Federal	0.00
04 Holiday	0.00	286.00	109.00	930.00	930.00	527.00 Reimbursement	-2,089.68	-2,271.12	OASDI	37,135.80
06 PTO	0.00	131.00	0.00	338.00	338.00	0.00 10 Child Support	120.81	241.62	Medicare	14,347.07
07 Salary	0.00	0.00	114,203.66	0.00	227,857.38	11 Phone Reimburs	-450.00	-450.00	State AL	3,355.39
08 Unpaid Time	0.00	16.00	0.00	24.00	0.00	12 Expense Reimb	-50.00	-223.08	State AZ	18,572.18
17 Ins Reimb Tr	0.00	0.00	382.37	0.00	764.74	13 Advance	250.00	500.00	State CA	7,139.48
						20 Direct Deposit Cr	81,073.30	162,382.07	State CA EE SDI	1,669.72
						21 Direct Deposit Sa	1,023.57	2,236.15	State CO	169.93
						22 2nd Direct Depos	2,889.00	4,169.00	State GA	339.86
						25 Medical 125	1,243.14	1,243.14	State HI	138.60
						26 Dental 125	305.21	305.21	State KS	65.91
									State KY	1,208.67
									State LA	583.14
									State MD	172.81
									State MO	300.00
									State NC	1,546.84
									State NY	259.35
									State PA	914.78
									AK-SUI (EE)	457.39
									EE Washington L&I	123.47
									Cumberland TWP	315.07
									East Berlin Boro LST	1,234.26
									East Berlin Boro Res	622.00
									ER OASDI	354.22
									ER MEDICARE	246.94
									ER FUI	310.19
									AK-SUI (ER)	1,026.07
									AL-SUI	1,026.07
									AZ-SUI	1,026.07
									CA-SUI	1,026.07

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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (\$109)

Employee Name		Social Security Number		Salary		Deductions		Frequency		Check Number		Check Date		Check Type		Net Check	
Earnings Description	Rate of Pay	Current Hours	Current Amount	YTD Hours	YTD Amount	Current Description	Amount	YTD Amount	Current Amount	YTD Description	Check Date	Week Number	Week #4	YTD Amount	Current Amount	YTD Amount	
CO-SUI						CO-SUI				68.76	137.52						
GA-SUI						GA-SUI				4.73	10.69						
HI-SUI						HI-SUI				92.31	92.31						
KS-SUI						KS-SUI				218.63	437.26						
KY-SUI						KY-SUI				65.69	131.38						
LA-SUI						LA-SUI				102.78	208.57						
MD-SUI						MD-SUI				43.27	86.54						
MO-SUI						MO-SUI				145.02	297.21						
NC-SUI						NC-SUI				42.31	84.62						
NY-SUI						NY-SUI				381.17	762.34						
TN-SUI						TN-SUI				274.04	548.08						
TX-SUI/Replenishment						TX-SUI/Replenishment				1,073.39	2,154.99						
WA-SUI						WA-SUI				147.12	294.24						
AL-Security Assess						AL-Security Assess				2.78	5.56						
CA-Employment & Training Tax						CA-Employment & Training Tax				7.73	17.54						
CO-Bond Principal Surcharge						CO-Bond Principal Surcharge				16.32	32.64						
ER- Washington L & I						ER- Washington L & I				49.27	82.84						
HI-ER & TRN Assess						HI-ER & TRN Assess				0.38	0.38						
NY-Re-employment						NY-Re-employment				7.10	14.20						
WA-Admin Fund						WA-Admin Fund				2.51	5.02						
Company Totals	3322.00	116,701.03	6642.75	232,952.12						84,638.92	168,820.13				12,689.07	25,591.82	
															44,761.18	89,723.81	

Exhibit
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 18111 Von Karman, Suite 460, Irvine, California 92612-7152.

A true and correct copy of the foregoing document entitled (specify): **DEBTOR'S EMERGENCY MOTION FOR ORDER AUTHORIZING PAYMENT AND HONORING OF PREPETITION PAYROLL OBLIGATIONS; MEMORANDUM OF POINTS AND AUTHORITIES; AND DECLARATION OF CHRISTOPHER CLARKE IN SUPPORT THEREOF**

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) February 3, 2017, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

• Queenie K Ng	queenie.k.ng@usdoj.gov	US Trustee
• United States Trustee (SA)	ustpregion16.sa.ecf@usdoj.gov	US Trustee
• Pamela Jan Zylstra	zylstralaw@gmail.com	Counsel for Debtor

Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (date) February __, 2017, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served)**: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) February 3, 2017, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

PERSONAL SERVICE: Honorable Theodor Albert, 411 W. Fourth St., Fifth Floor, Santa Ana, CA 92701
Office of United States Trustee, Queenie Ng, 411 W. Fourth St., Suite 9041, Santa Ana, CA 92701

VIA OVERNIGHT DELIVERY: Cumming Construction Management, Inc., Attn CFO Brian

VIA EMAIL: Attorneys for Cumming: John M. Genga <jgenga@gengalaw.com>

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

2/3/2017

Date

Pamela Zylstra

Printed Name

Signature

